



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 06 (ending 10/02/2017)

**“To every disadvantage there is a corresponding advantage.” - W. Clement Stone**

**Average Dublin first-time buyer deposit is €50,000** – A Central Bank Economic Letter by Jane Kelly and Reamonn Lydon shows the typical 2016 Irish home-buyer had a 20% deposit and c. 15% for first-time buyers. The average deposit for Dublin first-time buyers was €50,000 while outside Dublin it was a lot less at €25,000.

**IMF and EU meet in latest Greek bailout talks** – After months of negotiations, eurozone creditors are reportedly near an agreement with the International Monetary Fund on Greece's latest bailout plan after previous disagreements on debt relief with major differences between them on bailout program targets.

**Global stock market up 1% on the week** – The MSCI AC World TR Index extended its gain for 2017 after a 0.99% return from 3rd February to 10<sup>th</sup> February with talk of large U.S. tax cuts and major U.S. indices hitting record highs late in the week. Volatility, as measured by the VIX Index, fell to 10.9 from 11.15 over the week.

**Trump promises ‘phenomenal’ U.S. tax reform** – U.S. President Donald Trump plans to announce the most ambitious tax reform plan since the Reagan era in the next few weeks according to White House spokesman Sean Spicer, sending stock prices and the dollar higher on hopes for a cut in corporate and personal tax rates.

**Schauble admits Euro lower than appropriate for Germany** – Germany's Finance Minister Wolfgang Schauble acknowledged that the euro's exchange rate with the U.S. dollar is too low for Germany's competitive condition but said the European Central Bank makes policy for all of Europe, not just Germany.

**House of Commons backs Brexit bill** – The bill allowing the U.K. government to begin the formal process of leaving the European Union has passed the final stages in the House of Commons (by 494 votes to 122) leaving Britain potentially just one month away from triggering Article 50. The bill now goes to House of Lords.

**The Story of the week:** A Canadian man who has been missing for five years has been found more than 6,500 miles away in the Amazon jungle in Brazil. Anton Pilipa trekked across two continents after he disappeared from his Vancouver home in 2012. He was found down a dirt track in bare feet, unwashed Bermuda shorts and a vest. It is thought Anton suffers from schizophrenia and has now been put back on medication. He managed to travel through 10 countries, including Canada and the United States, without a passport, with the intention of reaching the National Library in Argentina. Anton did make it to the Library but was turned away because he did not have any identification.

**DISCLOSURE:** Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.

# Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD (to 10/02)</b>
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	-0.6
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	1.7
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	-0.4
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	3.7
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	6.5
Nikkei 225	22.9	56.7	7.1	9.1	0.4	1.4
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	5.6
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	3.3
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.5
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	1.1
Italy	4.6	4.1	2.1	1.6	1.8	2.2
Greece	12.7	8.2	9.6	7.9	7.1	7.5
Portugal	6.9	6.1	2.7	2.5	3.8	4.1
Spain	5.4	4.1	1.6	1.7	1.4	1.6
<b>Central Bank Rates (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	0.75
<b>Foreign Exchange Rates</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.06
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.85
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.25
<b>IPD All Property Return (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Ireland	-2.4	3.1	12.7	40.1	25.0	12.8 (to end of Q4)
U.K.	8.1	2.7	10.7	17.8	13.1	3.6 (to end of Q4)
U.S.	14.5	5.3	11.4	11.2	12.1	7.8 (to end of Q4)

\*Past performance is not a reliable guide to future performance